RELIANCE INSURANCE LIMITED

Registered Office: Shanta Western Tower, Level-5, 186, Tejgaon Industrial Area, Dhaka - 1208

2nd QUARTER FINANCIAL STATEMENTS (UN-AUDITED)

STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	30 June 2018 Taka in million	31 Dec 2017 Taka in million
Non current assets		
Property, plant & equipment	1,417.20	1,415.10
Assets under construction	310.14	303.11
Investement	2,626.17	3,246.26
Total non current assets	4,353.52	4,964.46
Current assets		
Inventories (stock of stationeries, postage & stamps)	9.13	10.13
Sundry Debtors (including advances, deposits & prepayments)	1,584.20	1,245.24
Cash & cash equivalents	2,390.07	2,010.91
Total current assets	3,983.40	3,266.28
Current liabilities		
Fund accounts, creditors & accruals	3,132.93	2,613.94
Net working capital	850.47	652.35
Net assets	5,203.99	5,616.81
Shareholders' equity		
Share capital	956.01	869.10
Land revaluation reserve	1,109.68	1,109.68
Fair value reserve	1,430.36	1,982.94
Capital reserve	2.38	2.38
Exceptional loss reserve	1,095.07	1,033.63
General reserve	1.25	1.25
Retained earnings	609.24	617.83
Total shareholders' equity	5,203.99	5,616.81

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2018

	Jan-Jun 2018 Taka in million	Jan-Jun 2017 Taka in million	Apr-Jun 2018 Taka in million	Apr-Jun 2017 Taka in million
Gross premium income	1,405.12	1,330.00	643.49	607.17
Net premium income	614.45	555.32	333.55	275.12
Commission on re-insurance	114.27	112.92	58.06	53.16
	728.71	668.24	391.60	328.28
Allocable mgt. expenses (including claims & Commission)	(527.68)	(454.28)	(266.55)	(227.78)
Un-allocable mgt. expenses	(40.80)	(36.83)	(19.73)	(19.87)
Unexpired risk reserve	4.10	(35.07)	(8.76)	(16.45)
	(564.38)	(526.18)	(295.04)	(264.10)
Profit before investment & other income	164.34	142.06	96.56	64.18
Investment & other income	222.01	178.60	150.65	132.15
Profit before tax	386.35	320.66	247.21	196.33
Income tax expense				
Current tax	(119.71)	(102.59)	(82.36)	(66.73)
Deferred tax	3.49	(1.78)	3.26	(2.93)
	(116.22)	(104.36)	(79.10)	(69.66)
Net profit after tax	270.12	216.29	168.12	126.67
Other comprehensive income/(loss)				
Changes in fair value of shares available for sale	(613.97)	700.31	(73.00)	(4.12)
Deferred tax on available for sale shares	61.40	(70.03)	7.30	0.41
Total comprehensive income/(loss)	(282.45)	846.57	102.42	122.96
Profit & loss appropriation				
Net profit after tax	270.12	216.29	168.12	126.67
Reserve for exceptional loss	(61.44)	(55.53)	(33.35)	(27.51)
	208.68	160.76	134.76	99.16

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2018

Taka in million

Particulars	Share capital	Land revaluation reserve	Fair value reserve	Capital reserve	Exceptional loss reserve	General reserve	Retained earnings	Total
Restated Opening balance as on 01Jan2017	790.09	1,109.68	1,116.01	2.38	909.86	1.25	480.03	4,409.30
Dividend for 2016 (Bonus & cash)	79.01	-	-	-	-	-	(197.52)	(118.51)
Net profit after tax	-	-	-	-	-	-	216.29	216.29
Appropriation during the period	-	-	-	-	55.53	-	(55.53)	-
Changes in fair value of shares available for sale	-	-	630.28	-	-	-	-	630.28
Balance as on 30 June 2016	869.10	1,109.68	1,746.29	2.38	965.40	1.25	443.27	5,137.36
Balance as on 01 Jan 2018	869.10	1,109.68	1,982.94	2.38	1,033.63	1.25	617.83	5,616.81
Dividend for 2017 (Bonus & cash)	86.91	-	-	-	-	-	(217.27)	(130.36)
Net profit after tax	-	-	-	-	-	-	270.12	270.12
Appropriation for the period	-	-	-	-	61.44	-	(61.44)	-
Changes in fair value of shares available for sale	-	-	(552.58)	-	-	-	-	(552.58)
Balance as on 30 June 2017	956.01	1,109.68	1,430.36	2.38	1,095.07	1.25	609.24	5,203.99

STATEMENT OF CASH FLOWS
for the period ended 30 June 2018

	Jan-Jun 2018 Taka in million	Jan-Jun 2017 Taka in million
Cash flows from operating activities		
Collection from premium & others	1,754.93	1,771.42
Payment for commission, claim & others	(1,160.52)	(1,366.76)
VAT paid to Government	(167.04)	(156.97)
Income-tax paid and deducted at sources	(85.65)	(72.44)
Net cash generated from operating activities	341.73	175.26
Cash flows from investing activities		
Payment for acquisition of assets	(17.34)	(17.92)
Payment for assets under construction	(6.13)	(55.79)
Proceeds from disposal of fixed asset	1.38	0.05
Payment against investments	(25.00)	(205.96)
Proceeds from disposal of investment	54.00	-
Dividend received	76.64	76.60
Interest received	66.20	59.04
Payment for TBL subordinated bond	1.58	-
Payment for LBSL zero coupon bond	4.33	4.77
Net cash used in investing activities	155.65	(139.21)
Cash flows from financing activities		
Dividend paid	(130.36)	(118.51)
Net cash used in financing activities	(130.36)	(118.51)
Net changes in cash & cash equivalents	367.02	(82.47)
Cash and cash equivalents at opening	2,010.91	1,960.69
Cash and cash equivalents at closing	2,377.93	1,878.22

Selected explanatory notes to the Financial Statements as at and for the period ended 30 June 2018:

1. Legal form of the Company: Reliance Insurance Ltd. was incorporated as a public limited Company in Bangladesh in the year 1988 under the Companies Act 1913 (present 1994). The Company, within the stipulations laid down by Insurance Act 2010 and directives as received from Insurance Development & Regulatory Authority (IDRA) time to time, provides non-life Insurance services.

2. Basis of preparation: The interim Financial Statements have been prepared based on Bangladesh Accounting Standard (BAS) 34: "Interim Financial Reporting" and in accordance with other Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Insurance Act 2010, Securities and Exchange Rules 1987 and other applicable laws and regulations.

3. Accounting policies and method of computations: Accounting policies and methods of computations followed in preparing this interim Financial Statements are consistent with those used in the Annual Financial Statements, prepared and published for the year ended December 31, 2017.

4. Dividend: A cash dividend of Tk.1.50 per share and 10% bonus shares were approved for distribution to the valued shareholders for the year ended December 31, 2017

5. Share Capital

	30-Jun-18	31-Dec-17
Authorized Capital:		
200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
Issued, subscribed and paid up Capital:		
Group A—Sponsor Directors:		
41,548,991 ordinary shares of Tk.10 each fully paid in cash	415,489,910	415,489,910
4,154,899 bonus shares of Tk.10 each fully issued	41,548,990	
Group B—Others:		
45,360,999 ordinary shares of Tk.10 each fully paid in cash	453,609,990	453,609,990
4,536,100 bonus shares of Tk.10 each fully issued	45,361,000	
Total	956,009,890	956,009,890

6. Net Assets Value Per Share: Net Assets Value Per Share has been calculated based on weighted average number of 95,600,989 shares outstanding as at June 30, 2018, after giving the effect of 10% bonus shares declared for the year 2017. Net Assets Value Per Share as at December 31, 2017 has also been restated based on 95,600,989 shares. Details calculations were as follows:

	30-Jun-18	31-Dec-17
Net assets	5,203,990,737	5,616,809,778
Ordinary Shares at 1st January	86,909,990	79,009,082
Bonus Shares Issued	8,690,999	7,900,908
Weighted average number of ordinary shares outstanding during the year	95,600,989	86,909,990
Weighted average number of ordinary shares	95,600,989	95,600,989
Net Assets Value Per Share	54.43	58.75

Due to reduction of market value of investment in securities, value of investment as well as net assets value (NAV) of RIL as of June 30 , 2018 has been decreased .

7. Earnings Per Share: Earnings per Share (EPS) calculated in accordance with "BAS 33: Earnings Per Share". EPS in respect of previous period has been restated based on 95,600,989 shares. Details calculations were as follows:

	Jan-Jun, 2018	Jan-Jun, 2017	Apr-Jun, 2018	Apr-Jun, 2017
Net cash generated from operating activities	270,122,378	216,292,462	168,115,369	126,668,509
Weighted average number of ordinary shares	95,600,989	95,600,989	95,600,989	95,600,989
Net Operating Cash Flows Per Share	2.83	2.26	1.76	1.32

There was no convertible securities during the year and hence no diluted EPS is required to be calculated

8. Net Operating Cash Flows Per Share: Net Operating Cash Flows Per Share (NOCFPS) has been calculated based on weighted average number of 95,600,989 shares outstanding during the period. NOCFPS in respect of previous period has been restated based on 95,600,989 shares. Details calculations were as follows:

	Jan-Jun, 2018	Jan-Jun, 2017
Net cash generated from operating activities	341,727,463	175,260,479
Weighted average number of ordinary shares	95,600,989	95,600,989
Net Operating Cash Flows Per Share	3.57	1.83

9. Statement of Cash Flows: The Statement of Cash Flows has been prepared in accordance with BAS -7 and the cash from the operating activities has been presented under direct method. Reconciliation of net income with cash flows from operating activities to comply BSEC notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 will be provided from December 2018 after computer system updated to enable the report.

Company Secretary | Chief Financial Officer | Chief Executive Officer | Director | Chairman

The details of the published quarterly (Q2) financial statements are available in the website of the company. The address of the website is www.reliance.com.bd